of order due to cable faults as a result of heavy rains in Delhi. Yesterday only I answered this question in the Lok Sabha. That is why the figures are available with me. All these 40,000 telephones, except 2,250 telephones, have been restored. Out of these 2,250 telephones, 1300 telephones remained dead for more than seven days. We have already assured in the Lok Sabha that efforts are being made to see that all these 2250 telephones which are dead because of cable fault arising out of rains are restored within seven days. Normally, we have around 7000 to 9000 telephones going out of order in Delhi out of a total of 8 lakh telephones for various other reasons. But what I am referring to is the telephones which went out of order as a result of flooding of the cables. We can assure the Member that it will be restored within seven days.

Import of Silver

*282. SHRI K. K. VEERAPPAN:
SHRI V. GOPALSAMY:†

Will the Minister of FINANCE be pleased to state:

(a) what quantity of silver has been brought into the country by NRI's since the relaxation of import of silver;

(b) what is the amount of foreign exchange Government has earned on this account so far;

(c) what are the airport and port-wise figures of imported silver as on date;

(d) what quantities of silver has been confiscated so far during this period, the details thereof including the quantity and its value;

(e) whether the smuggling of silver since the introduction of new policy has come down or gone up; and

(f) whether there is any proposal to review the policy, if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) to (f) A statement is laid on the Table of the House.

Statement

(a) A quantity of 1690 tonnes of silver has been imported upto 31.07.1993 under the Silver Import Scheme.

(b) An amount of Rs. 85 crores in convertible foreign currency has been earned as Customs duty on the above import.

(c) The silver is imported mainly by air. Airport-wise figures of imported silver up-to 31.07.1993 are as under:—

Sl.No.	Airport	Quantity (in Kgs.)
1.	Bombay	692453
2.	Delhi	482307
3.	Madras	424591
4.	Calcutta	11934
5.	Calicut	51712
6.	Trivandrum	26703

(d) From February, 1993 to July, 1993, a quantity of approximately 33 tonnes of silver was seized by the customs authorities. The market value of this silver is approximately Rs. 1957 lakhs.

(e) The licit import of substantial quantity of silver and decline in the margin of profit in smuggling of silver and also decline in seizures of silver after introduction of Silver Import Scheme appear to show that smuggling of silver has come down.

(f) There is no proposal, at present, under the consideration of the

†The question was actually asked on the floor of the House by Shri V. Gopalsamy.

Government for review of Silver Import Policy.

SHRI V. GOPALSAMY: Mr. Chairman, Sir, the Silver Import Policy of the Government was announced for the purpose of reducing smuggling and to make silver, the white metal, easily available in the internal market and also to earn foreign exchange. Sir, according to the figures given by the Government, in 1991 our consumption for industries, jewellery silver coins ends medals, silver ware, cutlery, gift items, curios, etc., was 1,385 tonnes. In 1992, the consumption was 1,800 tonnes. According to the statement given by the hon. Minister, till 31st July, 1993, 1,690 tonnes was imported. So, I would like to know whether you have met the demand, because apart from imports, internal production of silver—the recycling of silver—is also there. My point is, the new scheme has provided an easy escape route for investing black money. Normally, when they want to invest black money they invest it in white metal, yellow metal and real estate. So photostate copies of the NRI silver vouchers are being used by smugglers and people with black money to escape whenever silver is detected because NRIs are not being asked any questions on the sale of silver, import or how they dispose it of. Therefore, I would like to know from the hon. Finance Minister what steps he proposes to take to plug the loopholes in the scheme that he has already announced. Despite these facts, now you claim that smuggling has declined. Have you made any study as regards the amount of silver that was confiscated last year because you have given figures of how much was seized this year?

SHRI M. V. CHANDRASHEKHAR MURTHY: Mr. Chairman, Sir, the Government announced the Silver Import Scheme on 8th February, 1993. A passenger of Indian origin or a passenger holding a passport and who has stayed abroad for a period of 6 months can avail himself of this scheme. Under this scheme up to the end of July, approximately 1,690 tonnes of silver was imported and duty-wise, we have collected Rs. 85 crores in convertible foreign currency. Thus the introduction of the scheme, definitely, had a positive impact on the domestic price. As pointed out by the hon. Member, whether the net demand within the country has been met, this has been really met and more than that there is a significant fluctuation in the price of silver due to seasonal changes and also because of the demand for the metal in the country. It also depends on the price prevailing in the international market. Apart from this, regarding black money we have taken sufficient measures and we have alerted the Customs authorities as well as the DRI to take care of this while issuing receipts for duty collection.

SHRI V. GOPALSAMY: Sir, in my first supplementary I asked how much was confiscated last year. He did not reply to my first supplementary. He said that 33 tonnes were seized this year.

SHRI M. V. CHANDRASHEKHAR MURTHY: I have got the figures. The seizures between February and July 1992 were 73 tonnes. After implementation of this Silver Import Scheme, the seizures between February and July 1993 were 33.053 tonnes.

SHRI V. GOPALSAMY: Sir, the hon. Minister has stated that when people come from abroad after staying for six months, they can bring along with them 100 kgs. of silver. But the smugglers, the private financiers and the hawala dealers have been making use of the poor illiterate workers who are working in the Gulf countries. These poor people have gone there to earn their bread and butter by their sweat and

toil. These hawala dealers are able to make a net profit of 2000 to 2500 dollars on every 100 kgs. of silver smuggled. Recently, we also came across a case where a high-profile car dealer was arrested. So, what steps is the Government taking to prevent these hawala dealers from making use of the poor illiterate people working in the Gulf countries? You say that smuggling has declined but, according to your estimate, the profit earned by the smugglers was Rs. 290 crores in 1991, that is 59 per cent, and Rs. 422 crores in 1992, that is, 69 per cent... (*Interruptions*) When they say that they have made an estimate about how much in the open market...

MR. CHAIRMAN: Instead of explaining to the House—it is the job of the Minister—you please put your question.

SHRI V. GOPALSAMY: Therefore, Sir, will the Government look into this aspect and take steps to prevent the exploitation of the workers working in the Gulf countries by these hawala dealers?

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): Mr. Chairman, Sir, it is certainly true that a malpractice of this type does take place even though it is not possible to quantify its total incidence. We have taken certain precautions; for example, when imports are allowed, marks and numbers of the silver slabs are put down at the time when duty is paid. So, if there is any misuse of the imported silver, we have some mechanism to check it. To the question which the hon. Member has put, I would like to say that an effective fool-proof solution to this problem would be to further liberalise the import policy on silver. But to meet the constraints of foreign exchange, I feel, we have to live with this situation even though imperfect it is at the moment.

SHRI JOHN F. FERNANDES: Mr. Chairman, Sir the intention of the Silver Import Policy is commendable. The intention of the Government is to avoid smuggling. But prior to this policy, we had thousands of tonnes of silver confiscated by the Customs from the smugglers. And there was an assurance in the House to my question last time that the Government would sell the silver in the open market. May I know from the hon. Minister whether they have taken steps to sell the silver so as to cope up with the open market demand in the country and what steps they will take in future to see to it that the foreign exchange is not drained by permitting such policies in future

SHRI M. V. CHANDRASHEKHAR MURTHY: Sir, the Government has already decided to dispose of the silver confiscated by our Customs and we have already started selling it through the Custom's retail shops in metropolitan cities like Bombay Calcutta, Delhi and Madras and the price shall be fixed every day based on the prvious day's closing local bullion exchange price minus 5 per cent discount. And the maximum quantity sold to a person shall be restricted to 105 kgs. More than that, while disposing of the silver, we have taken a precautionary measure that the purchaser should give the income-tax assessment number.

SHRI T. A. MOHAMMED SAQHY: Sir, I would like to know, through you, from the Minister whether after introduction of the new policy the local market price for the consumer has gone up or come down or remained the same. Part (b) of my question is, how much percentage of silver is produced in India indigenously to cope with the consumption of silver in the country? Part (c) of my question is, how much percentage of silver is used for preparation of ornaments and how much percentage is used for medicinal purposes?

SHRI M. V. CHANDRASHEKHAR MURTHY: Sir, regarding the price

of domestic silver, after the new import policy of silver, it has definitely come down. Prior to the scheme, the Bombay price was Rs| 6,070/- and in the international market, the price was Rs. 4,230.86. This is the legal import price. Through smuggling, it was to cost Rs. 5,083/- and the margin of profit was Rs. 987/-. In March, after introduction of the scheme, the Bombay price was Rs. 5,571/- and the difference between the international price and the landed price of silver smuggled, was only Rs. 928/-. In April, it came down to Rs. 742|- and subsequently in May, it came down to Rs. 684/-. Now in the month of June, the margin profit has come to Rs. 578/-.

SHRI T. A. MOHAMMED SAQHY: Mr. Chairman, Sir, my question is whether the retail price has come down or not. I want to know whether the common man has been benefited from the new policy... (*Interruptions*) ...

AN HON. MEMBER: Are you a common man?

SHRI T. A. MOHAMMED SAQHY: If it has got nothing to do with the common man, it is okay. It is left to the Minister concerned to say that... (*Interrptions*) ... I want to know whether the new scheme has got any impact on the retail market. We are only interested in the common man and the consumer.

SHRI VIREN J. SHAH: Sir, the hon. Minister has assured the House about effective steps being taken to prevent smuggling. May I, through you, remind him of a reply that the hon. Minister has given to my question on 3rd March about smuggling of explosive, arms and ammunition That was exactly similar, where it was said that effective steps were being taken to prevent it. And we know what happened on 12th March in Bombay. Subsequently, on the Saurashtra coast, the Minister's own DRI and others have found very large amounts of explosives in February whereas the reply was given in March. In that context, with regard to silver also, confiscation might have come down. But how are we taking care to see that in real terms smuggling is prevented? Has the hon. Minister given adequate equipment, support, vehicles etc., to the Customs officers to manage this, particularly on the coast of Kutch, Gujarat Saurashtra and Maharashtra which are the main areas of smuggling and if so, what are the steps taken and how are they different from what were given in reply to my qestion on 3rd March when everything was hunky-dory according to them?

SHRI MANMOHAN SINGH: Mr. Chairman, Sir, there is no doubt that we need to strengthen our preventive measures and there is certainly scope for improvement of the equipment, vehicles and other facilities that our Customs people have. So, all these matters are being looked into.

SHRI RAJNI RANJAN SAHU: Mr. Chairman. Sir. I am glad that the hon. Finance Minister has realised the need that the DRI should be strengthened to stop smuggling. I would like to know from the honourable Minister whether the import of 6,190 tonnes of silver is also meant for use by private users if so, who are the actual users and what is the mechanism to fix the ratio parameters for the import. I would also like to know whether the Government has given permission for the import of silver for making coins by a Minister of the Bihar Government....

SHRI AJIT P. K. JOGI: Chief Minister ... (*Interruptions*) ...

SHRI RAJNI RANJAN SAHU:... with the emblem of the Chief Minister of Bihar... (*Interruptions*) ... Whether this comes under the actual

users or not, I would like to know. My specific questions are what the parameters are, who the actual users are and whether the Government has given permission to use this silver for making coins with the emblem of the Bihar Chief Minister.

SHRI M. V. CHANDRASHEKHAR MURTHY: Sir, on the last part of his question I have no information and I will collect and submit it to the House.

SHRI RAJNI RANJAN SAHU: It has come in the papers... (*Interruptions*)...

MR. CHAIRMAN: The Minister says he has to collect it. He will collect the information and send it. Now, Question No. 283, Mr. Judev.

देश में विद्युत उत्पादन तथा वितरण इकाइयों का निजीकरण किया जाना

*283. **श्री दिलीप सिंह जूदेव:** क्या **विद्युत** मंत्री यह बताने की कृपा करेंगे कि:

(क) देश में किन-किन राज्यों में विद्युत उत्पादन एवं वितरण इकाइयों का कार्य निरन्तर घाटे में चल रहा है;

(ख) इनमें से किन-किन इकाइयों को निजी हाथों में सौंपे जाने का निर्णय लिया गया है तथा 1992-93 में राज्यवार किन-किन इकाइयों को निजी क्षेत्र को सौंप दिया गया है;

(ग) 1993-94 के वर्ष के दौरान घाटे में चल रही किन इकाइयों तथा किन निर्माणाधीन तथा स्वीकृति प्राप्त इकाइयों को निजी क्षेत्र को सौंपे जाने का प्रस्ताव है; और

(घ) विद्युत उत्पादन तथा वितरण की ऐसी इकाइयों को निजी क्षेत्र को सौंपे जाने के संबंध में सरकार द्वारा निर्धारित शर्तों का ब्यौरा क्या है?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI P. V. RANGAYYA NAIDU): (a) to (d) a statement is laid on the Table of the House.

(a) According to the available information 13 out of 17 State Electricity Boards were incurring cumulative deficits as on 31-3-1993, vide details enclosed at Annexure. (*See* below).

(b) to (d). There is no proposal to private State Electricity Boards Decision regarding privatisation of any SEB is to be taken by the State Government concerned. No unit was privatised in 1992-93. At present there is a proposal to privatise a part of the distribution network of DESU. The terms and conditions for privatising DESU are under formulation. However, it has been agreed that the entire staff of DESU connected with distribution will be absorbed by the successor.

Annexure

Statement showing the names of the State Electricity Boards who were incurring cumulative deficit as on 31-03-1993.

Sl.No.	Name of SEBs	Cumulative deficit as on 31-3-1993.
1	2	3
		(Rs. crores)
1	Bihar (U)	—1238.04
2	Gujarat (U)	—425.65
3	Haryana (U)	—1225.21